1. The participants discussed Roney's patent No. 1,450,454, in compare with the present application. In particular, the movement and the positions of the paddle parts in Roney's patent and the respective propeller blades of the present invention have been examined after each 90 degrees of the rotations of the driving shafts (see enclosed FIGs. 1a-1d and 2a-2d).

The participants came to agreement that there are differences between these two systems, as follows.

The paddle parts (15a, 15b) in Roney's patent are oriented along the radial axes (2-2) and, as a result, are moving under water around the axis of the driving shaft (5) along circular trajectories. For developing the propulsion force, the speed of their rotation around the radial axes must be twice less that around the driving shaft.

The propeller blades (57, 58) in the present invention are disposed in the planes of rotations which are perpendicular to the radial output axes (49, 50). As a result, the orientation of the blades relative to axis of the driving shaft (21) are changing from parallel to perpendicular during the rotation. The propulsion force is developed when the propeller blades are rotated around the axis of the driving shaft (21) and around the radial axes (49, 50) with the same speed. The driving shaft can be disposed under water or over water.

2. The participants have discussed how strictly these differences had been reflected in the claims. They agreed that the orientation of the propeller blades relative to the driving

shaft is reflected in independent claim 15 (and also in dependent claims 2, 9) of the Application which teach that "said substantially flat propeller blades are disposed substantially in planes of rotation around the radial axes."

Claim 1 teaches the necessity of "rotating the propelling means simultaneously around said transverse axis and around said two radial axes with the same speed". Claims 8 and 15 teach that two radial output shafts are constrained by the planetary gear engagement to rotate with the speed of rotation of said driving shaft and planetary gearbox".

For more strict definition of relative speed of rotation of the blades around the driving shaft and around the radial shafts, the Examiner recommended to correct the claims 1, 8 and 15 of the Application.

The Applicant has corrected the claims according to these recommendations and sent the corrected claims to the US PTO on July 13, 2005.

3. Regarding to the preliminary amendment filed on November 12, 2004, the participants briefly discussed the possibility of changing the priority data of the Application to this later date. The Examiner said that this question can be discussed only after the application are in the condition for allowance.

Respectfully submitted

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07/19/05

Enclosed: drawings 1a-1d and 2a-2d.